

State of California  
BOARD OF EQUALIZATION

**SALES AND USE TAX REGULATIONS**

**Regulation 1619. FOREIGN CONSULS.**

*Reference:* Sections 6272, 6352, and 7053, Revenue and Taxation Code; and Vienna Convention on Diplomatic Relations of April 18, 1961, Article 34 (23 UST 3242) T.I.A.S. No. 7502.

**(a) APPLICATION OF TAX.**

(1) **IN GENERAL.** Neither sales tax nor use tax applies to the sale or use of tangible personal property sold or leased to foreign consular officers, employees, or members of their families, to the extent that such persons have been identified by the U. S. Department of State as exempt from the tax pursuant to treaties or other diplomatic agreements with the United States. Persons identified as exempt from taxation pursuant to treaties or other diplomatic agreements with the United States will be issued a Tax Exemption Card by the U. S. Department of State which identifies the bearer as exempt from tax and which specifies the extent of the exemption.

Tax applies to sales of tangible personal property to foreign consular officers, employees, or members of their families, who do not hold a Tax Exemption Card issued by the U. S. Department of State except as provided in subparagraph (a)(2) below. Also, tax applies to sales of tangible personal property to persons holding Tax Exemption Cards where their total purchases in a single transaction do not exceed the minimum level of exemption as specified on the Tax Exemption Card. Sales or use tax applies to the sale or use of tangible personal property sold to nationals of the United States even though such persons may perform consular functions for foreign governments.

(2) **VEHICLES.** In addition to the exemption provided in subparagraph (a)(1), the purchase or lease of vehicles on or after the date of assumption of duties by foreign consular officers, employees, or members of their families who do not hold a Personal Tax Exemption Card will be exempt from the sales and use taxes if an identification letter is furnished directly to the retailer by the Office of Foreign Missions, U. S. Department of State (OFM). In the absence of a Mission Tax Exemption Card, the purchase or lease of vehicles on behalf of a mission also will be exempt from the sales and use taxes provided an identification letter is furnished directly to the retailer by OFM. Such letters must confirm the name, exempt status, identification number (if available), and the date of assumption of duties of the person seeking the exemption (if applicable) and must be furnished to the retailer at the time of the sale. For purposes of this regulation, "vehicle" is as defined in Section 6272 of the Revenue and Taxation Code.

Effective June 1, 2003, the sale or lease of vehicles to foreign consular officers, employees, or members of their families will be exempt from the sales and use tax if:

(A) The purchaser provides a valid Tax Exemption Card (Personal or Mission) or a protocol identification card to the retailer; and

(B) The retailer contacts and obtains directly from the OFM a letter stating that the vehicle sale or lease to the purchaser is eligible for exemption from tax ("OFM Eligibility Letter").

**(b) RECORDS OF RETAILERS.** Invoices or other written evidence of sale must be retained by the retailer to support any deduction claimed on sales tax returns for sales to foreign consuls. The invoices should show the name of the purchaser, the name of the mission, the tax exemption number, the expiration date of the Tax Exemption Card, and the minimum level of exemption specified on the Tax Exemption Card. In addition, to support each transaction claimed as an exempt sale or lease of a vehicle to a foreign diplomat or mission not holding a Tax Exemption Card, the identification letter from the OFM confirming the exempt status of the diplomat must be retained by the retailer.

Effective June 1, 2003, in addition to retaining invoices or other written evidence as specified above, the retailer must retain a copy of the Tax Exemption Card (Personal or Mission) or protocol identification card, and the OFM Eligibility Letter to support each transaction claimed as an exempt sale or lease of a vehicle to a foreign consular officer, employee, or member of his or her family.

Note: For special provisions affecting record retention, see Regulation 1698.

History: Adopted April 7, 1977, effective May 15, 1977.

Amended February 5, 1986, effective March 3, 1986. In subdivision (a), "Application of Tax," amended language to provide that foreign consular officers, employees, or members of their families, to the extent such persons are immune from taxation pursuant to treaties or other diplomatic agreements with the United States, are exempt from sales or use tax to the extent that they have been identified by the U.S. State Department as immune from tax. Added an explanation regarding the Tax Exemption Cards to be issued by the U.S. State Department as proof of exemption. Added language which explains that tax applies to sales of tangible personal property to foreign consular officers, employees, or members of their families who do not hold a Tax Exemption Card issued by U.S. State Department. Also added language to provide that tax applies to sales of tangible personal property to persons holding Tax Exemption Cards where their total purchases in a single transaction does not exceed the minimum level of exemption specified on the Tax Exemption Card. Deleted provisions explaining procedures for obtaining Tax Exemption Cards from State Board of Equalization. Amended language describing the records a retailer is required to maintain to support claimed exempt sales when foreign consular official presents a Tax Exemption Card. Renumbers subdivision (c) to subdivision (b).

Amended February 3, 1988, effective May 12, 1988. In subdivision (a), added provisions to provide that sales to certain persons identified by U.S. Department of State are exempt from tax.

Amended June 27, 1996, effective October 6, 1996. Amended subdivision (a)(2) to clarify that the exemption becomes available on or after the date of assumption of duties and to provide for methods of proof of assumption of duties. Amended entire regulation to provide that exemption applies to leases as well as sales.

Amended October 19, 2004, effective February 5, 2005. Subdivision (a)(2)- new un-numbered paragraph added, effective June 1, 2003, to implement new OFM requirements to establish exemption for sales or leases of vehicles to foreign consular officers, employees, or members of their families. Subdivision (b)- abbreviation "(OFM)" replaces "Office of Foreign Missions, US Department of State"; new un-numbered paragraph added to explain records retailers must maintain to support claimed exempt sales or leases to foreign consular officials or their families or employees.

*Regulations are issued by the State Board of Equalization to implement, interpret or make specific provisions of the California Sales and Use Tax Law and to aid in the administration and enforcement of that law. If you are in doubt about how the Sales and Use Tax Law applies to your specific activity or transaction, you should write the nearest State Board of Equalization office. Requests for advice regarding a specific activity or transaction should be in writing and should fully describe the facts and circumstances of the activity or transaction.*